

C/04/002 Incoming



Canyon Fuel
Company, LLC.
Sufco Mine

A Subsidiary of Arch Western Bituminous Group, LLC.

COPY

#3725

K

Ken May, General Manager
597 South SR 24
Salina, UT 84654
(435) 286-4400 - Office
(435) 286-4499- Fax

January 3, 2011

Permit Supervisor
Utah Coal Regulatory Program
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, Utah 84114-5801

Re: West Coal Lease Modifications Significant Revision, 2nd Submittal, to the Canyon Fuel Company, LLC, Sufco Mine, Permit Number C/041/0002

Dear Permit Supervisor:

Please find enclosed with this letter the Sufco Mine permit revision to include the West Lease Modifications to three existing leases in the mine's M&RP. We have included four copies of the modified text and plates in redline/strikethrough format along with completed C1 and C2 forms. One additional copy was sent to the Price Field Office. Clean copies of the pages with modifications will be forwarded to the Division once the modification is approved for inclusion in the permit.

This resubmittal has been revised to clarify and address the deficiencies in the Division letter dated December 1, 2010 received on December 6, 2010.

The deficiencies and responses are:

- R645-301-724-200 and R645-301-731:** Lizonbee Springs (sample ID #s: GW-8 and GW-9) are active springs located along the east side of the Acord Lakes fault-graben valley T 21 S R 4 E, Section 34). The Permittee is not proposing to incorporate monitoring these springs into the water monitoring program. However, these springs are located within the westernmost boundary of the CHIA (see Plate 4 of the Quitcupah and Muddy Creek CHIA, 2010). Some baseline water quality data for the springs were available but mainly reflective of conditions from the 1970s and 1980s. Furthermore, seasonal variability of flow does not reflect current conditions in GW-8 and was not demonstrated in GW-9. For these reasons, it would be prudent to incorporate these springs into the water monitoring plan to ensure that there is no water loss to the overall hydrologic balance within the CHIA.

The Permittee must demonstrate seasonal variation and flow rates for Lizonbee Springs by providing additional data to ensure that material damage to the hydrologic balance outside the permit area is prevented. Please provide an amended water monitoring plan to include Lizonbee Springs.

File in:

- ☐ Confidential
☐ Shelf
☒ Expandable

In C/04/0002 Incoming
Date: 01/11/2011, For additional information

RECEIVED

JAN 11 2011

DIV. OF OIL, GAS & MINING

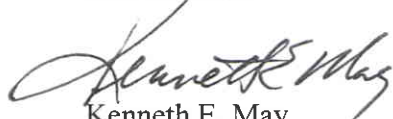
COPY

when reading the table. The text of Chapter 1 does include the correct permit area acreage.

For the adjacent area boundary please see the comment in Item #2 above.

Sufco is anticipating entering the lease modifications in November 2011 to begin development mining for longwall panels. If you have any questions regarding the information contained in this letter or within the permit modification, please give Mike Davis a call at (435) 286-4421.

Sincerely,
CANYON FUEL COMPANY, LLC
SUFCO Mine



Kenneth E. May
General Manager

Encl.

KEM/MLD:kb

cc: DOGM Price Field Office
DOGM Correspondence File

APPLICATION FOR COAL PERMIT PROCESSING

COPYPermit Change ☒ New Permit ☐ Renewal ☐ Exploration ☐ Bond Release ☐ Transfer ☐

Permittee: CANYON FUEL COMPANY, LLC

Mine: SUFCO MINE

Permit Number: C/041/002

Title: 2nd Submittal - West Coal Lease Modifications Amendment to MRP.

Description, Include reason for application and timing required to implement:

Sufco has modified three existing coal lease areas. Sufco is anticipating entering the lease in November 2011.

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- ☒ Yes ☐ No 1. Change in the size of the Permit Area? Acres: 24571.947 Disturbed Area: 0.0 ☐ increase ☒ decrease.
- ☐ Yes ☒ No 2. Is the application submitted as a result of a Division Order? DO# _____
- ☐ Yes ☒ No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- ☐ Yes ☒ No 4. Does the application include operations in hydrologic basins other than as currently approved?
- ☐ Yes ☒ No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- ☐ Yes ☒ No 6. Does the application require or include public notice publication?
- ☒ Yes ☐ No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- ☐ Yes ☒ No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- ☐ Yes ☒ No 9. Is the application submitted as a result of a Violation? NOV # _____
- ☐ Yes ☒ No 10. Is the application submitted as a result of other laws or regulations or policies?
- Explain: _____
- ☐ Yes ☒ No 11. Does the application affect the surface landowner or change the post mining land use?
- ☒ Yes ☐ No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- ☒ Yes ☐ No 13. Does the application require or include collection and reporting of any baseline information?
- ☐ Yes ☒ No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- ☐ Yes ☒ No 15. Does the application require or include soil removal, storage or placement?
- ☐ Yes ☒ No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- ☐ Yes ☒ No 17. Does the application require or include construction, modification, or removal of surface facilities?
- ☒ Yes ☐ No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- ☒ Yes ☐ No 19. Does the application require or include certified designs, maps or calculation?
- ☒ Yes ☐ No 20. Does the application require or include subsidence control or monitoring?
- ☐ Yes ☒ No 21. Have reclamation costs for bonding been provided?
- ☐ Yes ☒ No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- ☒ Yes ☐ No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

KENNETH E. MAY, MINE MANAGER
Print Name

Kenneth E. May
Sign Name, Position, Date

1/3/11

Subscribed and sworn to before me this 3 day of January, 20 10

Krystal Rickenbach
Notary Public

My commission Expires: _____, 20____

Attest: State of _____ } ss:
County of _____



NOTARY PUBLIC
KRISTAL RICKENBACH
580808
My Commission Expires
November 10, 2013
STATE OF UTAH

For Office Use Only:

Assigned Tracking
Number:

Received by Oil, Gas & Mining

COPY

Title: 2nd Submittal - West Coal Lease Modifications Amendment to MRP.

DESCRIPTION OF MAP, TEXT, OR MATERIAL TO BE CHANGED

Form DOGM - C2 (Revised March 12, 2002)

4. Vertical extent of mine workings Surface to 2,000 feet deep
(Life of mine)

The anticipated total acreage to be affected during the five years of operation by underground mining activities is 1,500 acres. The estimated number of total surface acres to be affected over the entire mining operation is 48.432 acres.

<u>PERMITTED DISTURBED AREA BOUNDARY</u>	<u>ACTUAL AREA CURRENTLY DISTURBED TO BE RECLAIMED</u>	<u>SITE DESCRIPTION</u>
30.210	17.405	Mine Site, East Spring Canyon
0.967	0.39	Spring Collection Field, Convulsion Canyon
0.220	0.075	Pump House, Convulsion Canyon
0.784	0.40	Leach Field, Convulsion Canyon
1.595	0.193	Water Tank, East Spring Canyon
0.286	0.017	3 East Portals
1.774	0.70	4 East Portals
0.302	0.017	South Portals
0.396	0.017	Quitcupah Portals
0.287	0.18	Link Canyon Substation No. 1
0.245	0.12	Link Canyon Substation No. 2
0.380	0.18	Link Canyon Portal
10.986	8.733	Waste Rock Disposal Site
0.000	0.00	North Water Mitigation Area
0.000	0.00	Quitcupah Fan and Shaft Site
48.432	28.427	Totals

The permit area boundary, which is shown on Plate 5-6, the same as the lease area legal descriptions in Section 114, includes portions 22,462.92 acres of Federal coal leases, 2,134.19 acres of State of Utah coal leases, 640 acres of fee coal leases, the 40 acres waste rock disposal site and 15.32 acres under U.S. Forest Service special use permit areas for a total of 25,292.43 720.483 acres.

117 Insurance and Proof of Publication

TABLE 7-2 (Continued)
Water Monitoring Program

<u>Springs</u>	<u>Protocol</u>	<u>Comments</u>
SUFCA 001	D,3	Blackhawk Formation
SUFCA 047	D,4	Star Point Sandstone
SUFCA 057A	D,3	North Horn Formation
SUFCA 089	E,3	Castlegate Sandstone
GW-8	D,5	Price River Formation
GW-9	D,5	Price River Formation
GW-13	D,3	North Horn Formation
GW-20	D,5	Castlegate Sandstone
GW-21	D,3	Castlegate Sandstone
Pines 100	D,4	Castlegate Sandstone
Pines 105	D,3	Castlegate Sandstone
Pines 206	D,5	Blackhawk Formation
Pines 209	D,5	Blackhawk Formation
Pines 212	D,5	Blackhawk Formation
Pines 214	D,5	Blackhawk Formation
Pines 218	D,3	Castlegate Sandstone
Pines 303	D,3	Blackhawk Formation
Pines 310	D,7	Castlegate Sandstone
Pines 311	D,7	Castlegate Sandstone
Link Portal-West	D,4	Link Canyon Portal
Link Portal-East	D,4	Link Canyon Portal
M-SP01	D,3	Price River Formation
M-SP02	D,3	Price River Formation
M-SP08	D,3	North Horn Formation
M-SP18	D,3	Price River Formation
M-SP39	D,3	Price River Formation
M-SP53	D,3	North Horn Formation
Mud Spring	D,5	Price River Formation
Broad Hollow	D,5	Blackhawk Formation

AFFIDAVIT OF PUBLICATION

County of Sevier, State of Utah, ss.

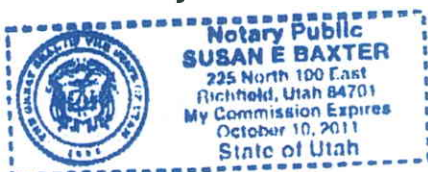
I, SHALON PUZEY, being first duly sworn, depose and say I am the Legal Secretary of THE RICHFIELD REAPER, a weekly paper having a bona fide circulation of more than 200 subscribers in the State of Utah, published every Wednesday at Richfield, Sevier County, Utah, and that said notice was published on Utahlegals.com, a website established by the Utah Press Association through the collective efforts of Utah's newspapers, on the same day as the first newspaper publication and the notice remained on Utahlegals.com until the last day of publication.

That the notice CANYON FUEL a copy of which is attached hereto, was published in said paper for 4 consecutive issues, the first publication having been made in the issue of the 20 day of OCTOBER 2010, and the last publication in the issue of the 10 day of NOVEMBER 2010 that the said notice was published in the regular and entire issue of every number of said paper during the period of times and publication, and that the same was published in the newspaper proper and not in a supplement.

Subscribed and sworn to before me this
10 day of NOVEMBER, 2010

Susan E Baxter

Notary Public



Received

NOV 29 2010

Canyon Fuel Company
SUFCO Mine

PUBLIC NOTICE
Canyon Fuel Company LLC, 225 North Fifth Street, Suite 900, Grand Junction, CO 81501 has filed an application for a coal mining permit revision under the laws of the State of Utah and the U.S. Office of Surface Mining.

Approval of this application is a revision that is adding 2,312.74 acres of lease to allow coal mining operations at the SUFCO Mine to continue within the authorized leasehold interest and fee lands owned by Canyon Fuel Company LLC for a total of 27,605.17 acres. The land on which mining is to continue are located in Sevier County and includes parts of the Fishlake National Forest. The mine portals are located 30 miles east of Salina, Utah, located within Section 12, NW1/4, Township 22 S., Range 4 E. The approximately 2,312.74 acre additional leasehold modification involves all or part of the following coal leases which have been assigned and added to Canyon Fuel Company LLC.

Federal Coal Lease SL 062583 (877.06 acres)
T. 22 S., R. 4 E., SLM, Utah

Sec. 2, SE1/4, S1/2SW1/4;
Sec. 3, SE1/4SE1/4;

Sec. 10, E1/2NE1/4, NE1/4SE1/4;

Sec. 11, N1/2, N1/2S1/2;
Federal Coal Lease U 47080 (795.68 acres)

T. 21 S., R. 4 E., SLM, Utah

Sec. 35, E1/2, E1/2SW1/4;
T. 22 S., R. 4 E., SLM, Utah

Sec. 2, lots 1-4, S1/2NE1/4, S1/2NW1/4, N1/2SW1/4;

Sec. 3, NE1/4SE1/4.
Federal Coal Lease U 63214 (640 acres)

T. 21 S., R. 4 E., SLM, Utah

Sec. 26, E1/2, E1/2SW1/4;
Sec. 35, NW1/4, W1/2SW1/4.

After filing, copies of the permit application will be available for inspection at the following locations: Utah Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah; and Sevier County Courthouse, Richfield, Utah.

Written comments or requests for an informal conference regarding this application may be addressed within 30 days of the last publication date of this notice, to the Utah Division of Oil, Gas and Mining, Box 145801, Salt Lake City, Utah 84114-5801. Published in The Richfield Reaper Oct. 20, 27 and Nov. 3 and 10, 2010. UPAXLP

8418